

BANKING DAY

21 MARCH 2024



ON STAGE TODAY



**Orhun
KÖSTEM**

Group Chief Financial Officer
Sabancı Holding



**Hakan
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Banking Strategic Business Unit President
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Sabancı Group

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Banking in Sabanci Group

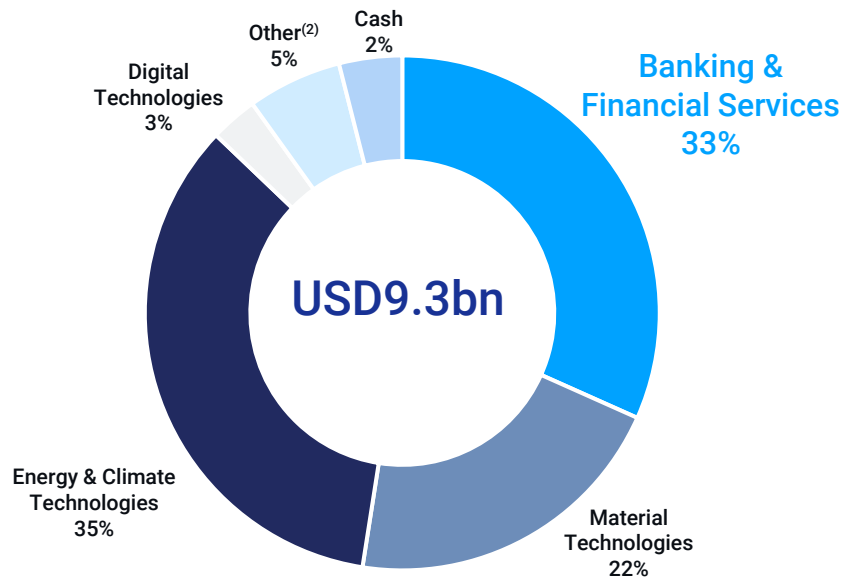


Banking is an integral part of Holding's strategy driven mainly by digitalization



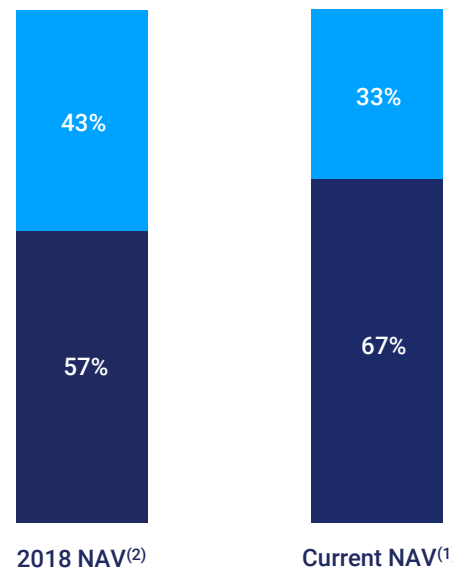
A major contributor of a balanced portfolio...

Current NAV⁽¹⁾ Breakdown



NAV Progress

■ Banking & Financial Services ■ Non-bank



(1) Values based on independent valuation for unlisted assets and as of the March 20th 2024 market caps for listed assets

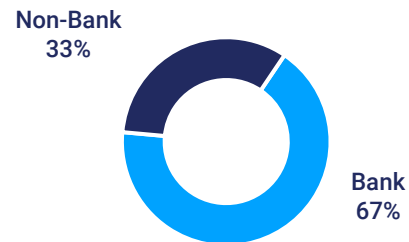
(2) Includes Carrefoursa, ExsaGayrimenkul, Tursa, AEO.

...and the significant driver of key financials and dividend

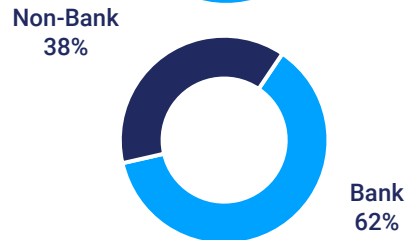
Combined
Revenue:



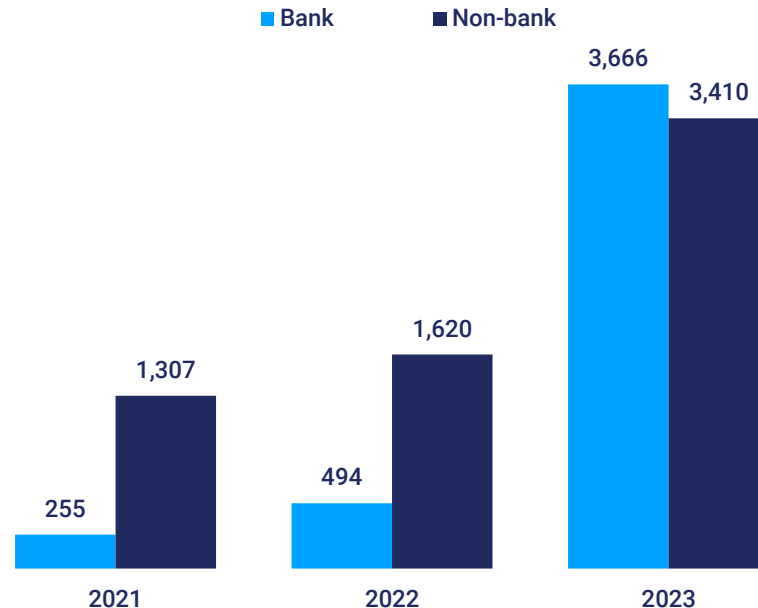
Combined
EBITDA:



Consolidated Net
Income:



Dividend Stream, TL mn



SABANCI

02

/03

Akbank



Solidified customer driven revenue base & operational resilience

Customer-centric strategies & agile balance sheet management create strong foundation for robust profitability

Exceeded 2023 guidance with an outstanding ROE of **37.9%** reaching an ROA of **4.4%** with **9.0x** leverage

01

Sustained strong momentum in net active customer growth (**+2.3 mn** YoY), with a cumulative increase of **55%** in 2 yrs

04

Preserved superior capital buffers: **18.5%** CAR; **15.6%** Tier-1⁽¹⁾ along with strong efficiency

02

Achieved an eye-catching **300 bps** market share⁽²⁾ gain in consumer loans & **150 bps** in broad-base TL deposits

05

Continued agile & prudent ALM with maturity mismatch & regulatory compliance in focus

03

Boosted fee income market share⁽³⁾ by **230 bps** to **16.2%** thanks to strong customer acquisition & increased x-sell

06

All figures are as of 2023YE.

(1) w/o forbearances: Fixing MtM losses of securities & FX rate for RWA calculation to 2022YE FX rate

(2) Market share data based on bank only BRSA weekly data as of 29.12.2023, among private banks

(3) Based on bank only BRSA monthly data as of December 2023 among private banks

On track with 2025 targets

+5mn

- ✓ Net active customer base
- ✓ Digital active customer base

2023

2025T

+2.3 mn

+2.4 mn

~300bps

market share gain⁽¹⁾

- ✓ Consumer loan
- ✓ SME loan⁽²⁾

+300 bps

+42 bps

~300bps

market share gain⁽¹⁾

- ✓ TL time deposits⁽³⁾
- ✓ TL demand deposits

+150 bps

+260 bps

>80%

- ✓ Fee / OPEX ratio

72%

(1) Market share data based on bank only BRSA weekly data as of 29.12.2023, among private banks

(2) SME: According to BRSA definition, based on bank only BRSA monthly data as of December 2023 among private banks

(3) Widespread consumer only

Outstanding presence in financial industry

Banking

AKBANK AG

- ▶ Flagship of Akbank Group in Europe
- ▶ Total assets of EUR 3,862 mn and equity of EUR 1,037 mn
- ▶ Contribution to net income stands at 4% in 2023

Asset Management

AKPortföy

Leader in:

- ▶ Total AuM with TL 407 bn⁽³⁾ & DPM with TL 62 bn AuM
- ▶ Pension fund management with TL 135 bn AuM, 17.8% market share
- ▶ Mutual fund management with TL 207 bn AuM, 11.6% market share

Leasing

AKLease

- ▶ Net lease receivables market share of 11.7%
- ▶ AKLease Filo: Combining financial leasing capabilities with next generation mobility business

E-Money

AKÖde

- ▶ Tosla, first mobile application of AKÖde was launched at Sep'19
- ▶ AKÖde POS, virtual POS & Link Payment products for consumers & merchants
 - ▶ User friendly product without rent cost, transaction fee & turnover commitment

Brokerage

AKYatırım

- ▶ Leader in corporate bond issuances⁽¹⁾ with 45% market share in 2023
- ▶ One of the leading intermediary institutions in equity public offerings⁽²⁾ with USD 1.9 bn transaction size btw 2011-2023

Corporate Venture Capital

AKBANK VENTURES

- ▶ Akbank Ventures BV established in Apr'23 in Netherlands, is targeting next generation businesses with high growth potential to support Akbank's strategic investments

(1) Excluding issuances of banks and affiliated companies. All data are based on BIST

(2) Excluding privatization transactions

(3) Among private institutions

Akbank's bifocal strategy

Run the Bank

- Strong customer acquisition
- Effective asset liability management
- Risk & return focused sustainable sound growth
- Robust digital infrastructure & best-in-class efficiency
- Solid regulatory compliance



Crafting the future

- Superior customer experience
- Advanced analytics & excellence in digital
- 'Open Banking' initiatives
- Investment in new business areas & future of work
- Reduction in environmental footprint & increased positive impact

Enhancing bottom-line impact through digital transformation

Fastest growth in mobile customers 01

- ▶ Eye-catching 68% growth in # of digital customer⁽¹⁾
- ▶ 60% of the new customer acquired digitally
- ▶ Enriched customer acquisition through collaborations with 3rd parties
- ▶ Strong value propositions & best-in-class experience with differentiated digital products & service offerings

Distinctive digital channel experience 02

Akbank Mobile

Single platform for all banking needs

Juzdan

Bank agnostic digital payments platform

Akbank Trader & Trade All

Daily trade platform with real time stocks prices

Tosla

Fun & playful mobile platform

Akbank Assistant

Chatbot available for all digital platforms

Hyper-personalized and smart service 03

- ▶ Customized financial advisory
- ▶ Proactive and contextual solutions to financial needs based on users' habits
- ▶ Best practices in smart and customized 'assistance & search' using AI models with continuous learning
- ▶ Instant offerings to customers via engagement tools

"API first" focus on banking 04

BaaS

Supporting customers through integrated platforms at the right moments of truth

BaaS

Akbank Mobile has become the single platform for all banking needs and beyond

API Portal

Collaborative approach to build and extend products & services with intuitive & secure access interfaces

Strong digital product portfolio 05

- ▶ # of digital products & services: 100+
- ▶ High share of digital in total sales
Broad product line for both retail and non-retail
GPLs, credit cards, time deposits, wealth products, bancassurance
- ▶ Digital-first payment products
Ready to use online

(1) Since 2021YE

Increased digital migration solidifies sustainable customer-based revenue growth

Active Customer Base⁽¹⁾ (mn)

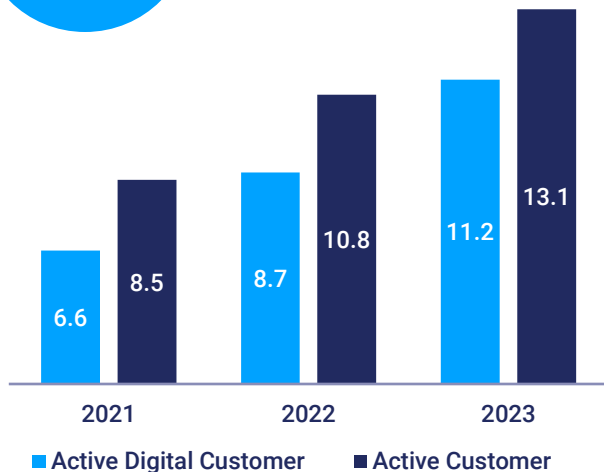
+4.6 mn

active customers
since 21YE

Since 21YE

+55%

+68%



Avg. monthly
customer acquisition vs
2021

- New to bank: 2x
- Activation: 2x

In 2023

35x

Monthly avg mobile login
frequency per customer

x2

Digital customer x-sell
compared to non-digital

70%

Credit Cards sold through
digital channels

83%

Time deposit account openings
through digital channels

90%

GPLs sold through digital
channels

96%

Digital channel migration
of transactions⁽²⁾

(1) Based on MIS data. Active: Login in last 3 months

(2) Including financial transactions such as money transfers, payments & investment, excl. viewing & cash transactions

Actionable targets for positive impact

SUSTAINABLE FINANCE

Supporting a more sustainable economy



TL 800 bn

Sustainable finance until **2030**

TL15 bn AuM

Sustainable investment funds **2030**

Increase **sustainable borrowing** secured by the bank until **2030**

ECOSYSTEMS MANAGEMENT

Enhancing financial health & inclusion

Extend digital, innovative **products & services**

Achieve **10% annual growth** in # of women SMEs by **2025**



Increase number of **financially empowered people** until **2030**

PEOPLE & COMMUNITY

Empowering our people and communities



Improve the effectiveness of **investment on our people**

Increase **Social Return on Investments** for community investments

Enhance the effectiveness of **Akbank volunteerism** in community investments

CLIMATE CHANGE

Reducing our impact on environment

Become a **net-zero bank** through reducing operational and portfolio emissions by **2050**



Mitigate **climate-related risks & impact** on portfolio

ESG performance at a glance

SUSTAINABLE FINANCE

Supporting a more sustainable economy

TL 226 bn sustainable finance provided since 2020YE ⁽¹⁾

59% ESG-linked borrowing

165% increase of investors in ESG-themed funds ⁽²⁾

Environmental and Social Risk Framework

for all commercial and SME loans

Sustainable Finance Framework

in line with international standards

PEOPLE & COMMUNITY

Empowering our people and communities

~57%

women in CEO's direct reports

135K

students reached by Akbank Youth Academy since 2020

Akbank+

intrapreneurship program

32 hrs

training/employee

Women's Empowerment Principles

30% Club, Valuable 500, Bloomberg Gender Equality Index member

ECOSYSTEMS MANAGEMENT

Enhancing financial health & inclusion

USD 240 mn

resource via international funding organizations for Women SMEs

17K

SMEs reached by Akbank Transformation Academy since 2022

Corporate Digitization

partnerships with prominent e-commerce companies

700+

startups & ecosystem players connected with Akbank LAB in 2023

CLIMATE CHANGE

Reducing our impact on environment

Net Zero 2050 Commitment

defined 2030 sectoral targets for prioritized carbon intensive sectors

90%

reduction of absolute Scope 1&2 GHG emissions by 2030 from 2019 base year

100%

electricity sourced from renewables

82%

reduction in operational emissions in 2023 since base year 2019

562

locations obtained energy & environment management certification

⁽¹⁾ Based on bank-only MIS data, includes: Granted SME loans (e.g. access to essential services, women-owned SMEs) & renewable loans, other green and social loans in line with Sustainable Framework, and ESG-type Eurobond & syndicated loan purchases

⁽²⁾ Increase in # of investors compared to 2022

Transparent & holistic approach validated in our ratings

Indices

REFINITIV 

Range

AAA/CCC

A+/D-

0-100

0-40+

A/D-

1-5

Score

A

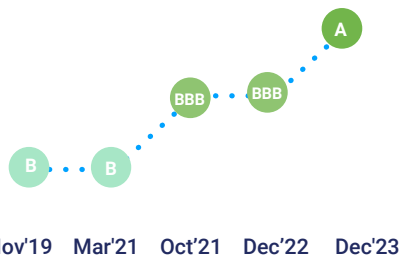
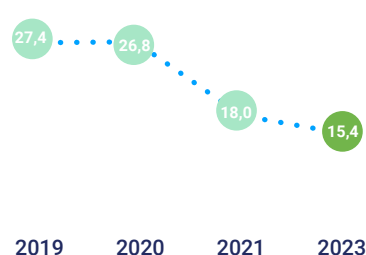
A

78.01

15.4
(Low Risk)

B

3

MSCI REFINITIV SUSTAINALYTICS CDP 

2024: Continue our ESG roadmap aligned with 2030 SDGs

Sustainable Finance

- ✓ Support decarbonization by engaging with customers and product innovation
- ✓ Continue to focus on ESG-linked funding
- ✓ Diversify ESG-themed investment products

People & Community

- ✓ Continue efforts for a more diverse & inclusive workplace with a focus on women, youth, vulnerable groups
- ✓ Continue to create social impact with community investment initiatives
- ✓ Support our youth with leading volunteering and education programs

Ecosystem Management

- ✓ Support green transformation of SMEs and empower women-owned SMEs
- ✓ Offer financial and non-financial services to SMEs and individuals
- ✓ Further strengthen entrepreneurship, youth and accessible banking

Climate Change

- ✓ Execute decarbonization roadmap for portfolio and operations, with interim targets to reach net zero by 2050
- ✓ Continue 100% electricity sourcing from renewable resources
- ✓ Expand ISO 50001 & 14001 certificates to include all branches

Key Takeaways: Harnessing the power of our past successes for superior performance

Top-positioning in the sector

- ✓ Centering sustainable & sound profitability with customer-driven revenue growth in focus
- ✓ Conducting superior customer acquisition while deepening customer relations & bolstering customer retention
- ✓ Leading the industry with agility in services & differentiated product offerings

Constant dynamism

- ✓ Crafting the future of banking with non-stop investments
- ✓ Leveraging efficient deployment of solid capital & effective management of skilled talent
- ✓ Continuing to create value for the Turkish economy

Q&A





Meet SirA, Sabancı Holding's digital
investor relations assistant !

Turkey's First Investor Relations
Dedicated Assistant !

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